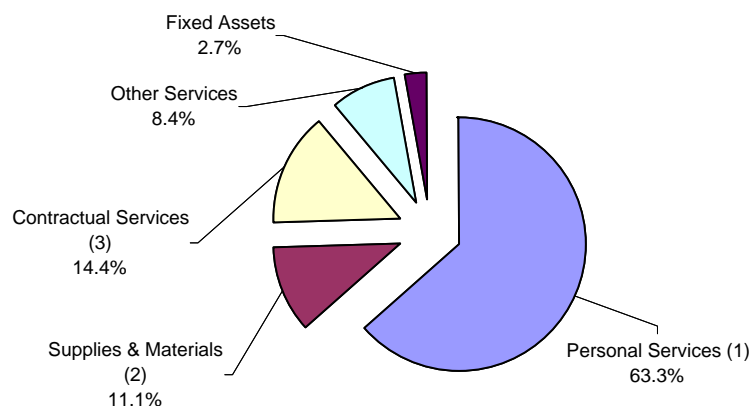


FINANCIAL/OPERATING OVERVIEW

TOTAL EXPENDITURES BY CATEGORY - ALL FUNDS

For the fiscal year ended June 30, 2005, the General Assembly appropriated the Department of Corrections (DOC) an adjusted operating budget of \$860,956,801. The DOC expended \$859,328,687, with the major portion of these expenditures being earmarked for salaries and benefits. The Department operated 30 Major Institutions (includes the conversion of Pulaski, Botetourt and Baskerville Correctional Centers from field units*), 10 Field Units, 6 Work Centers, 5 Diversion Centers, and 4 Detention Centers in which 30,373 offenders** were housed. In addition, the Department operated 43 Probation & Parole Districts and 10 Day Reporting Centers. (As of June 30, 2005, the number of offenders under such community-based supervision totaled 51,674, an increase of approximately 8% over last year.)

TOTAL EXPENDITURES BY CATEGORY - FY 2005



	FY 2005	FY 2004
Personal Services (1)	\$ 544,289,806	\$ 516,885,121
Supplies & Materials (2)	95,521,882	89,688,196
Contractual Services (3)	124,052,238	104,591,312
Other Services	72,422,009	70,735,043
Fixed Assets	23,042,752	28,024,530
	<u>\$ 859,328,687</u>	<u>\$ 809,924,202</u>

* Pulaski, Botetourt, and Baskerville costs will continue to be reflected in the field unit per capita rate and direct and indirect cost statements.

** On average 30,373 offenders were housed in facilities operated by DOC during Fiscal Year 2005. Excluded from that statistic were 1,568 DOC inmates housed in a privately-operated prison in Lawrenceville.

(1) The increase in personal services is largely the result of annualization and increases in central appropriation adjustments (salary, fringe benefits, etc.).

(2) The increase in supplies and materials is associated with merchandise procured by VCE, repair and maintenance costs, and the increased cost of heating oil.

(3) The increase in contractual services is associated primarily with medical and skilled services and the establishment of an expenditure code (1278) to capture goods and services provided through the Virginia Information Technology Agency (VITA). Historically, information technology goods were coded as fixed assets. This accounting change is a primary contributor to the net reduction in fixed assets expense.